

To the Members of the California State Assembly:

I am returning Assembly Bill 624 without my signature.

I believe that children should be insured but this bill fails to address a critical question: How to pay for it? At a time when California has a \$7.5 billion structural deficit, this bill would cost the state almost 200 million dollars once implemented without providing a funding source or offering comprehensive children's health reform.

As written, AB 624 grants a child presumptive Medi-Cal eligibility until county eligibility workers and HFP make a final determination of the child's eligibility for the programs. This could effectively result in extending indefinitely the current two-month presumptive eligibility period for the Children's Health Disability and Prevention (CHDP) Gateway program. Not only would this generate an undetermined increase in CHDP Gateway costs due to an anticipated increase in enrollment in temporary Medi-Cal, it would discourage a final eligibility determination for and enrollment in comprehensive health coverage programs. In addition, the bill would place a greater responsibility on the counties to follow up on Medi-Cal eligibility and would result in a substantial increase in workload. Finally, this bill does not allow enough time for the Department of Health Services, the Managed Risk Medical Insurance Board and the counties to plan and implement all the aspects of the CHDP Gateway application modification.

I have continually stated my interest in providing health coverage to low-income uninsured California children. Consistent with that interest, I have made expanding children's health coverage a top priority in a challenging fiscal time by protecting eligibility for Medi-Cal and the Healthy Families Program (HFP), funding an additional 126,000 children in HFP, and reinstituting community-based certified application assistance to help reach the estimated 428,000 children who are eligible for public programs but not yet enrolled. More broadly, my budget included a \$1 billion increase in funding for health care services for over 7 million low-income Californians already eligible for public programs.

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Providing access to affordable health coverage for California children has been and will continue to be an important priority for me and my Administration. While progress has been made over the past year in expanding coverage, more needs to be done. My Administration is committed to working with the Legislature and stakeholders to find a comprehensive solution to this critical priority for California, but we must do so in a manner that the State of California can afford, is funded, and that effectively targets new investments in proven strategies to provide coverage to California children.

For these reasons, I am returning AB 624 without my signature.

Sincerely,

Arnold Schwarzenegger